



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CRYSTAL SPRINGS CONDOMINIUMS

This Declaration ("Declaration") is made and executed this 20th day of January, 2003, by Crystal Springs Properties, a Wyoming limited liability company, Declarant.

1. RECITALS. Declarant is the Owner of certain real property located in Teton Village, Teton County, Wyoming, which property is more particularly described in Exhibit "A" attached hereto and made a part hereof, and which is hereinafter referred to as the "Property". Declarant makes, executes and records the Declaration in order to submit the Property to the provisions of the Wyoming Condominium Ownership Act, and to provide for the Condominium ownership, use, maintenance, repair and replacement of the Property and improvements constructed thereon, for the benefit of Declarant and all owners of the Property.

2. DECLARATION. Declarant does hereby submit the Property and all improvements thereon to the provisions of the Wyoming Condominium Ownership Act and to the provisions of this Declaration. The Property shall be owned, used, occupied, maintained, repaired, reconstructed, transferred, encumbered, leased and subleased subject to the provisions of this Declaration and the Wyoming Condominium Ownership Act. Declarant does hereby make, execute, publish and declare that the following Declaration and the terms, covenants, conditions, easements, restrictions, uses, limitations and obligations set forth therein shall be deemed to be covenants running with the land, and equitable servitudes, and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the Property, and their grantees, successors, heirs, executors, administrators, devisees and assigns.

3. DEFINITIONS. Unless the context shall expressly provide otherwise.

(a) "UNIT" means an individual air space which is contained within the perimeter walls, floors, ceilings, windows, and doors of each Unit as shown on the Plat, together with all fixtures and improvements therein contained but not including any of the structural components of the building, or common equipment or utilities, if any, located within the Unit.

(b) "CONDOMINIUM" or "CONDOMINIUM UNIT" means the fee simple and title in and to a Unit together with the interest in the Common General and/or Limited Elements appurtenant to such Unit.

(c) "OWNER" means a person, persons, firm, corporation, partnership, Association, or other legal entity, or any combination thereof, owning an interest of Record in one or more Units, but not including a party having an interest in a Unit solely as security for the performance of an obligation.

(d) "GENERAL COMMON ELEMENTS" means and includes the Property, the structural components of the building, and all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance, and safety which are normally and reasonably in common use, excluding the Units and any Limited Common Elements.

(e) "LIMITED COMMON ELEMENTS" means those common elements or areas designated on the Plat as reserved or allocated for the exclusive use of an Owner of a Condominium Unit, or limited to and reserved for the exclusive use of the Crystal Springs Condominiums Association

(f) "COMMON EXPENSES" means and includes expenses for maintenance, repair, operation, management, and administration; expenses declared Common Expenses by the provisions of this Declaration; and, all sums lawfully assessed against the General Common Elements by the Management Committee.

Grantor: CRYSTAL SPRINGS PROPERTIES LLC
Grantee: THE PUBLIC
Doc 0588400 bt 490 pg 339-362 Filed at 11:47 on 02/04/03
Sherry L Daigle, Teton County Clerk fees: 87.00
By MARY D ANTONIUS Deputy

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(g) "MANAGEMENT COMMITTEE" means the Board of Directors of the Association, which shall govern the Property and business of the Association.

(h) "MANAGER" means the person or firm who may be designated by the Management Committee to manage the affairs of the Property.

(i) "PLAT" or "CONDOMINIUM PLAT" means and includes the engineering survey of the land depicting and locating thereon all of the improvements, the floor and elevation plans, and any other drawing or diagrammatic plan depicting a part of or all of the improvements and land, which is filed in the Teton County Clerk's Office.

(j) "MORTGAGEE" means a beneficiary under a deed of trust or holder of a mortgage.

(k) "ASSOCIATION" means the Crystal Springs Condominiums Association, Inc., a Wyoming nonprofit corporation, organized to act as the Association referred to in this Declaration.

(l) "COMMON ELEMENTS" shall mean all portions of the Property other than the Units.

4. PLATS. Each such Plat shall depict and show at least the following: The legal description of the land and a survey thereof; the location of the building(s); the floor and elevation plans; the location of the Units within the building(s), both horizontally and vertically; the thickness of the common walls between or separating the Units; the location of any structural components or supporting elements of the building located within a Unit; and the Unit designations. The Plat shall contain a certificate certifying that the Plat substantially depicts the location and the horizontal and vertical measurements of the building(s); the Units, the Unit designations, the dimensions of the Units, the elevation of the unfinished floors and ceilings as constructed.

5. DIVISION OF PROPERTY INTO CONDOMINIUM UNITS - INCIDENTS OF OWNERSHIP.

(a) Division into Condominium Units. The Property is hereby divided into Condominium Units, each consisting of a separate fee simple estate in and to a Unit, together with an undivided interest in the General and Limited Common Elements appurtenant thereto.

(b) Ownership of Common Elements. Each Unit Owner shall be entitled to a maximum percentage of undivided interest in the Common Elements appurtenant to each Unit, and shall be its Owner for all purposes, including voting, as set forth in the schedule attached hereto as Exhibit "B" and by this reference made a part hereof. Such maximum interest shall be subject to diminution, to accommodate expansion under the provisions hereof. The percentage of undivided interest in the Common Elements appurtenant to any Unit shall be not be changed except with the unanimous consent of all of the Unit Owners in the Property expressed in an amendment to this Declaration, duly executed by all such Owners and recorded. Such percentages have been computed by dividing the square footage of each Unit by the total square footage of all the Units in the Property.

With the written consent of the Association, two or more Units may be utilized by the Owner(s) thereof as if they were one Unit. To the extent permitted in the written consent of the Association, any walls, floors or other structural separations between any such Units, or any space which would be occupied by such structural separation but for the utilization of the Units as one Unit, may, for as long as the two Units are utilized as one Unit, be utilized by the Owner(s) of the adjoining Units as limited Common Areas, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use or enjoyment of other Units.

(c) Description of Condominium Unit. Every deed, lease, mortgage, trust deed, will, or other instrument may legally describe a Condominium Unit by its identifying Unit designation, followed by the name of this Condominium, with further reference to the Plat thereof filed for Record and the recorded Declaration. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit but also the General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a nonexclusive easement for ingress and egress to an Owner's Unit and use of all of the General Common Elements together with the right to the use of the appurtenant Limited Common Elements.

(d) Title. Title to a Condominium Unit within the Project may be held or owned by any person or entity in any manner in which title to any other real property may be held or owned in the State of Wyoming.

(e) Inseparability of Condominium Unit. Title to no part of a Condominium Unit within the Project may be separated from any other part thereof and each Unit, the appurtenant undivided interest in the General Common Elements, and the appurtenant Limited Common Elements shall together compromise one Condominium Unit, shall be inseparable, and shall be conveyed, devised, leased, encumbered or otherwise affected only as a complete Condominium Unit. Every gift, devise, bequeath, transfer, lease, encumbrance, conveyance or other disposition of a Condominium Unit, or any part thereof, shall be construed as affecting the entire Condominium Unit, together with all appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth.

(f) Partition Not Permitted. The Common Elements shall be owned in common by all of the Owners of the Unit and shall remain undivided, and no Owner shall bring action for partition or division of the General and Limited Common Elements.

(g) Separate taxation. All taxes, assessments and other charges of the State of Wyoming or of any political subdivision or of any special improvement district or of any other taxing or assessing authority shall be assessed against and collected on each Condominium Unit separately, not on the Property as a whole, and each Condominium Unit shall be carried on the tax records as a separate and distinct parcel.

For the purpose of valuation for assessment, the valuation of the Common Elements shall be apportioned among the Condominium Units in proportion to the fractional undivided interests in the Common Elements appurtenant to and part of each Condominium unit. The Association shall deliver to the County Assessor of Teton County, Wyoming a written notice, as required by the Condominium Ownership Act of Wyoming, setting forth descriptions of the Condominium Units, and shall furnish all necessary information with respect to such apportionment of valuation of Common Elements for assessment.

The lien for taxes assessed to any Condominium Unit shall be confined to that Condominium unit. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

(h). Separate Mortgages. Each owner shall have the right to mortgage or otherwise encumber his Condominium unit; however, no Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Elements or any part thereof except the undivided interest therein appurtenant to his Condominium unit. Any mortgage or other encumbrance of the Condominium Unit within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through the foreclosure by private power of sale, judicial foreclosure or otherwise.

6. USE AND OCCUPANCY OF COMMON ELEMENTS AND OTHER RIGHTS.

(a) Use of General Common Elements or Areas. Subject to other provisions of the Declaration, each Owner shall have a non-exclusive right to use and enjoy the General Common Elements as may be required for the purposes of access and ingress and egress to and the use and occupancy and enjoyment of the respective Condominium unit owned by such Owner. Such right to use the General Common Elements or Areas shall extend to each Unit Owner and the guests and invitees of each unit Owner. Such rights to use shall be consistent with the rights of use and enjoyment of the other Owners and shall be subject to and governed by the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association. If not already established in the Plat, the Management Committee shall have the right to assign and regulate the use of access, entries, parking, loading areas and storage areas.

(b) Use of Limited Common Elements. Subject to the other provisions of this Declaration, each Owner, as well as their guests and invitees shall have the exclusive right to use and enjoy Limited Common Elements designated herein or on the Plat as appurtenant to the unit(s) owned by such Condominium Owner(s). The Association shall have the exclusive right to manage and use those Limited Common Elements designated on the Plat as controlled by the Association.

(c) Owner's Rights in Unit. Subject to the other provisions of this Declaration, each Owner shall have full and complete dominion and ownership of his Unit, which is part of the Condominium owned by such Owner, and each Owner and such Owner's guests and invitees shall have the exclusive right to use and enjoy the same. Each Owner may freely transfer his or her Unit free of any right of first refusal or similar restriction held by the Association, Declarant or Developer.

(d) Association's Right to Use Common Elements. The Association shall have a non-exclusive right and easement to make such use of the Common Elements as may be necessary or convenience to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the general Common Elements facilities for use by Owners generally or by the Association and its agents exclusively.

(e) Owner's Easement for Access, Support and utilities. Each Owner shall have a non-exclusive easement for access between Owner's Unit and public roads, alleys and streets, over the halls, corridors, stairs, walks and exterior access and other easements which are part of the Common Elements. Each Owner shall have a non-exclusive easement to, in and over Common elements, including Common Elements within the Unit of another Owner, for horizontal and lateral support of the unit and for utility service to the Unit, including water, sewer, gas, electricity, telephone and television service. Said easements may not be restricted and shall be perpetual and appurtenant to each Unit.

(f) Easements for Maintenance, cleaning and Repair. Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Association or its agents shall have the irrevocable rights to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacement of any Common elements accessible therefrom or for making emergency repairs at any time therein necessary to prevent damage to the Common Elements or to a Unit or Units. In addition, the Association or its agents may enter any Unit when necessary in connection with any maintenance, cleaning, repair, replacement or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association.

(g) Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of

the same shall and does exist. If any part of the Common Elements or any part of a Unit or Units encroaches or shall hereafter encroach on real property owned by the Declarant outside the boundaries of the Property, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances wither on the Common Elements or the Unit. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project by error in the Plat, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project, or any part thereof, or utility services, such as fire sprinkler water lines.

(h) Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be appurtenant to the Condominium Unit of that Owner and all conveyances of and other instruments affecting title to a Condominium Unit, whether by Declarant or otherwise, shall be deemed to grant and reserve such reciprocal easements as are provided for herein, even though no specific reference to such easements appear in any such conveyance.

7. LIMITED COMMON ELEMENTS. A portion of the General Common Elements is reserved for the exclusive use of the individual Owners of the respective Units, and such areas are referred to as "Limited Common Elements - Residential". Except as expressly set forth hereafter, the Limited Common Elements so reserved shall be identified on the Plat. Any balcony, patio, or deck which is accessible from, associated with and which adjoins a Unit, without further reference thereto, either herein or on the Plat, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners of the General Common Elements, except by invitation. A portion of the General Common Elements is reserved for the exclusive use of the Association, and such areas are referred to as "Limited Common Elements - Association." Underground garage parking areas, and storage areas, which are identified on the Plat as Limited Common Element - Association, or by an attachment to this Declaration or by a separately filed recorded document, shall be Limited Common Elements reserved to the exclusive use of the Association through its Management Committee. All of the Owners of Condominium Units in this Condominium project shall have a nonexclusive right in common with all of the other Owners to use of sidewalks, pathways, roads, and streets located within the entire Condominium project. No reference thereto, whether such Limited Common Elements are exclusive or nonexclusive, need be made in any deed, instrument of conveyance, or other instrument, and reference is made to the provisions of paragraph 7 of this Declaration.

8. USE AND OCCUPANCY. The Units located on the first floor of the building in which the Units are located may be used and occupied for commercial and employee housing purposes. The Units located on the second, third and fourth floors of the building in which the Units are located may be used and occupied for residential purposes only, including rental as permitted by applicable Teton Village and Teton County regulations.

9. NONPROFIT CORPORATION MEMBERSHIP. Each Owner shall automatically become, by virtue of his ownership of a Condominium, a member of The Crystal Springs Condominiums Owner's Association, Inc., a Wyoming nonprofit corporation, and shall have all of the rights and obligations of a member as provided for in the Articles and Bylaws of said corporation. Dues and assessments levied by the Association shall be collected as provided in this Declaration, and the Association shall have a lien therefor as provided in this Declaration. Membership in said corporation shall be limited to those persons who own Condominium Units in the Crystal Springs Condominiums. By the sale or other transfer of a Condominium, the transferring Owner's membership in the corporation shall be ipso facto transferred to the transferee of such Condominium. The Condominium Owners may be granted fractional memberships in said nonprofit corporation, as limited by the Bylaws of said corporation.

10. ASSOCIATION AND MEETINGS THEREOF.

(a) Membership. Each Owner shall belong to said Association by virtue of owning a Condominium covered by this Declaration. Membership in said Association shall be limited to those persons who are the Owners of Units. By the sale or other transfer of Condominium, the transferring Owner's membership in the Association shall be ipso facto transferred to the transferee of such Condominium. The sole purpose of the Association is to operate and administer the project in accordance with this Declaration.

(b) Annual Meeting. There shall be an annual meeting of the Association to be held on a date selected by the Board of Directors of the Association, at a location in Teton County, Wyoming designated in the notice of the meeting. Written notice shall be given to the Owners not less than fifteen (15) days prior to the actual date fixed for said meeting. At the annual meeting, the members shall elect directors as provided in the Association articles and bylaws, and the Management Committee shall present an audit of the Common Expenses, itemizing receipt and disbursements for the preceding calendar year, the allocation thereof to each Owner, and the estimated Common Expenses for the coming calendar year. A statement detailing the items covered at such meeting shall be mailed within ten (10) days of such meeting to all Owners not present thereat.

(c) Special Meetings. Special meetings of the Association may be held at any time, either upon the call of Owners owning not less than one-third (1/3) of the voting rights, or upon the call of a majority of the Management Committee. Upon such call, or the receipt of such call, the Management Committee shall send out written notices of the meeting to all Owners, provided that such notice is sent not less than fifteen (15) days prior to the date fixed for said meeting, and shall specify the date, time, place, and purpose for said meeting.

(d) Notice of Meetings. A written or printed notice of every meeting of the Association stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place, day, and hour thereof and the purpose therefor shall be given by the Management Committee not more than fifty (50) nor less than ten (10) days before the date set for such meeting. Such notice shall be given to each Owner by mailing it, postage prepaid, addressed to such Owner at his address as it appears on the records of the Management Committee. Such notice shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States Mail. If notice is given pursuant to the provisions of this section, the failure of any Owner to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices mailed by registered mail addressed to the Management Committee, the holder of any duly recorded mortgage against any Unit may obtain a copy of any and all notices permitted or required to be given to entitle the holder of any mortgage requesting such notice to receive all notices sent to the Owners from and after receipt of said request until said request is withdrawn and said mortgage is discharged of Record.

(e) Waiver of Notice. Any Owner may waive notice of any meeting if notice of such meeting was not given to such Owner. The presence of any such Owner, either in person or by proxy, at any meeting, shall constitute a waiver of notice by such Owner.

(f) Quorum. At any meeting of the Association, those present in person or by proxy, holding a majority of the votes in the Association, shall constitute a quorum. Once such quorum is present, the concurring vote of a majority of those present on any matter shall be valid and binding upon the Owners, unless otherwise expressly provided by this Declaration. In the event an Owner has pledged his vote by mortgage, deed of trust, or agreement of sale, the Owner's vote will be recognized in computing a quorum with regard to any business conducted concerning such matters upon which said Owner's vote is so pledged or mortgaged unless the mortgage, deed of trust, or agreement of sale provides otherwise, in which event such instrument shall control. The Association may also act without a meeting by written consent of a majority of the voting power of the General Common Elements entitled to vote. Whenever in this Declaration the consent or approval of Owners is required, such approval or consent

shall be given pursuant to this paragraph 16 at a meeting of the Association or by a writing, unless otherwise specifically provided herein.

(g) Voting. The number of votes appurtenant to each Unit (Voting Rights) shall be as shown on Exhibit B attached hereto and incorporated herein. The number of votes appurtenant to each Unit, as shown on Exhibit B, shall be changed only by amendment of this Declaration. Any provision to the contrary notwithstanding, co-owners or joint owners shall be deemed as one Owner. The authority given by an Owner to another to represent such Owner at meetings shall be in writing, signed by such member, or if a Unit is jointly owned then by all joint owners, or if such Owner is a corporation, by the proper officers thereof, and shall be filed with the Management Committee, and unless limited by its terms, such authority shall be deemed good until revoked in writing. An executor, administrator, guardian, or trustee may vote in person or by proxy with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance; provided, however, that reasonable evidence of such capacity first be offered to the Management Committee. Whenever any Unit is owned by two or more jointly, as determined by the records of the Management Committee, the vote therefor may be exercised by any one of the Owners present in the absence of protest by the other or others; provided, however, that it shall be necessary for all such joint Owners present to act unanimously in order to cast the votes to which they are entitled, and provided further that, when the vote of an Owner or owners has been pledged by mortgage, deed of trust, or agreement of sale of any Unit or interest therein, an executed copy of which is on file with the Management Committee, only the vote of the pledgee will be recognized upon those matters upon which the Owner or owner's vote is so pledged. In the event that foreclosure is commenced by a Mortgagee who holds a first lien on a Unit covered by the mortgage, and notice thereof is given to the Management Committee, the right of the Owner of such Unit to vote shall be transferred to the Mortgagee until the default is cured and the Management Committee notified thereof.

(h) Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by a majority vote of the members present, whether a quorum be present or not, in accordance with the notice provisions of this Declaration and the Articles and Bylaws of the Association. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

11. **MANAGEMENT COMMITTEE.**

(a) Membership and Purpose. The board of directors of the Association shall act as the Management Committee. The Management Committee shall govern the affairs of the project on behalf of the Association.

(b) Declarant Control. Until one hundred (120) days after the date on which seventy five (75) percent of the Units have been conveyed to third party purchasers, or for a period not exceeding three years from the date of recordation of this Declaration, whichever occurs sooner, the Declarant shall have the right to appoint and remove the members of the Board of Directors of the Association and the officers of the Association.

(c) Term. Since the members of the Management Committee are the Board of Directors of the Association, each member of the Management Committee shall hold office until the next annual meeting of the Owners and until such member's successor has been duly elected and qualified, or until the resignation, or removal of such member, if one of the latter events occur sooner; provided however, that if any member ceases to be an Owner, his membership on the Management Committee shall thereupon automatically terminate.

(d) Cumulative Voting. At any election of Committee members, the vote attributable to each Condominium may be accumulated by the Owner thereof and such Owner may give one candidate a number of votes equal to the number of members to be elected multiplied by the number of condominiums owned by such Owner, or may

distribute his votes on the same principle on as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of members elected are elected.

(e) Resignation and Removal. Subject to Declarant's reserved rights during the Declarant control period set forth in subparagraph (b) above, at any regular meeting or special meeting duly called, any one or more of the members of the Management Committee may be removed with or without cause by a majority vote of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Any member may resign at any time by giving written notice to the Manager.

(f) Vacancy. Any vacancy in the Management Committee occurring during a member's term shall be filled for the balance of that member's term by appointment made by the Management Committee.

(g) Proceedings. If all members of the Management Committee are present, a majority vote shall be the act of the Management Committee; however, two members of the Management Committee shall constitute a quorum, and, if a quorum of two members is present, the unanimous decision of the those present shall be the act of the Management Committee. The Management Committee shall elect a chairman to preside over its meetings and those of the Association. Minutes of the meetings of the Management Committee shall be maintained and available for inspection by any Owner. Meetings of the Management Committee may be called, held, and conducted in accordance with such regulations as the Management Committee may adopt. The Management Committee may also act without a meeting by unanimous written consent of its members.

(h) Regular Meetings. Regular meetings of the Management Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Management Committee. Notice of regular meetings of the Management Committee shall be given to each member, personally or by mail, or by telephone, at least five days prior to the day named for such meeting.

(i) Special Meetings. Special meetings of the Management Committee may be called by its chairman on five days' notice to each member, given personally, or by mail, or by telephone, which notice shall state the time, which notice shall state the time, place, and purpose of the meeting.

(j) Waiver of Notice. Before or at any meeting of the Management Committee, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance of a member at any meeting of the Management Committee shall be a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

12. CERTIFICATE OF IDENTITY. There may be recorded from time to time a Certificate of Identity containing the names and addresses of the persons then comprising the Management Committee, together with the name and address of the Manager, if any. Such certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith regardless of time elapsed since the date thereof. The first such Certificate shall be recorded on or before thirty days after the initial Management Committee is selected. Failure to file such Certificate, however, shall not affect the legality or enforceability of any act taken, or decision made, by the Management Committee.

13. POWERS AND DUTIES OF MANAGEMENT COMMITTEE. As Board of Directors of the Association, the Management Committee shall have the powers and duties conferred on the Board by the Articles of Incorporation of the Association, or by this Declaration, or by Wyoming law, and, without limitation, necessary for the

administration, operation, and maintenance of the Condominium project as a first class Condominium property. The Management Committee may do all such acts and things, except as by law or by this Declaration may not be delegated to the Management Committee.

14. OTHER POWERS AND DUTIES. The powers and duties of the Management Committee shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Units:

(a) To administer and enforce the covenants, restrictions, easements, conditions, uses, limitations, obligations, and all other provisions set forth in this Declaration submitting the property to the provisions of the Condominium Ownership Act of Wyoming.

(b) To establish, make, and enforce compliance with such rules and regulations as may be necessary for the operation, occupancy, and peaceful and orderly use and enjoyment of the Units and General Common Elements of this project, with the right to amend said rules and regulations from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner upon the adoption thereof; provided, however, that no such rules and regulations shall be effective or enforceable until and unless approved by a vote of the Association, through the votes of its members, either in person or by proxy, whose aggregate interest in the common elements constitutes a majority thereof, at any meeting duly called for such purpose.

(c) To incur such costs and expenses as may be necessary to keep in good order, condition, and repair all of the General and Limited Common Elements and all items of common personal property.

(d) To insure and keep insured all of the Units and all insurable General Common Elements of the property and all of the common fixtures, equipment, and personal property against loss due to fire, extended coverage perils, vandalism and malicious mischief, in an amount equal to the full insurable replacement cost. Further, to obtain and maintain comprehensive public liability insurance covering the entire premises and insuring the Management Committee and the Manager, if any.

(e) To prepare a budget for the Association, at least annually, in order to determine the amount of the assessments payable by the Unit Owners to meet the Common Expenses of the Condominium project, and allocate and assess such common charges among the Unit Owners, and by majority vote of the Management Committee to adjust, decrease, or increase the amount of the quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement, to the Owners at the end of each operating year.

(f) To levy one or more special assessments upon all Owners in the same manner as general assessments whenever the general assessments shall appear to the Management Committee to be insufficient to enable it to carry out its obligations in connection with the operation of the project, or whenever the Management Committee is required to make an expenditure under or in connection with this Declaration for which there are not sufficient funds available in the maintenance fund. One or more special assessments may be levied by the Management Committee upon less than all Owners when permitted by this Declaration. Unless the Management Committee otherwise notifies the Owner or Owners against whom a special assessment has been levied, the special assessment is payable in full on the date specified in the notice of the levy.

(g) To levy and collect special assessments on the Owners of Units which are not rented on a short-term basis.

(h) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in this Declaration. To collect a late charge and interest at the rate of 4 percent (4%) above the prevailing prime rate per

annum in connection with assessments remaining unpaid more than forty-five days from due date for payment thereof, together with all expenses, including reasonable attorney's fees incurred.

(i) To protect and defend on behalf of the Condominium project any part or all of the project from loss and damage by suit or otherwise.

(j) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of this Declaration, and to execute all such instruments evidencing such indebtedness as the Management Committee may deem necessary and give security therefor; provided, however, that this provision shall not be deemed to give the Management Committee the power or right to place any liens on any one or more of the Condominium Units. Such indebtedness shall be the several obligation of all of the Owners in the same proportion as that of their interest in the common elements.

(k) To enter into contracts to carry out their duties and powers. Any management contract or employment contract between the Declarant and the Management Committee or Manager shall be subject to termination by the Management Committee on not more than 90 days notice after the Unit Owners Management Committee has been elected.

(l) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(m) To make all repairs and do all maintenance to the General Common Elements consistent with managing the project in a first class manner and consistent with the best interests of the Unit Owners.

(n) To keep and maintain full and accurate books and records showing all of the receipts, expenses, and disbursements, and to permit examination thereof at any reasonable time by any Owner, and, if the Management Committee elects, to cause a complete audit of the books and accounts by a certified or public accountant, once each year.

(o) To prepare and deliver annually to each Owner a statement showing receipts, expenses, and disbursements since the last such statement.

(p) To meet at least once each calendar quarter.

(q) To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

(r) In general, to carry on the administration of the Condominium project and to do all things necessary and reasonable in order to carry out the governing and the operation of the project and its property.

(s) To establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of General Common Elements, which fund shall be provided for from regular assessments for Common Expenses.

(t) To manage the Limited Common Elements - Association, including but not limited to assigning or renting the exclusive use thereof on terms and conditions approved by the Management Committee.

15. MANAGER. Declarant and/or the Management Committee shall have the authority to contract with a Manager or Management Company ("Manager") to ensure proper and efficient maintenance and management of the project as a first class residential property. The Manager, if any, shall have and exercise such powers as are granted to the Management Committee hereunder (and any power herein delegated to the Management Committee shall be exercisable by the Manager), but said Manager shall be directly responsible to, and under the control of, the Management Committee.

16. NO WAIVER OF RIGHTS. The omission or failure of the Management Committee, the Manager, or any Unit Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations obligations, or other provisions of this Declaration, or the house rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification, or release thereof, and the Management Committee, the Manager, or any Owner shall have the right to enforce the same thereafter.

17. FIDELITY BONDS. Upon vote of the Association an adequate fidelity bond shall be obtained for each Management Committee member. Also, the Management Committee may require that any or all employees of the Condominium project and the Manager handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on all such bonds shall be a common expense.

18. COMPENSATION. No member of the Management Committee shall receive any compensation for acting as such.

19. ACCOUNTS. The funds and expenditures of the Unit Owners shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear, or obsolescence.

20. INDEMNIFICATION. Contracts or other commitments made by the Management Committee or the Manager shall be made as agent for the Unit Owners, and they shall have no personal responsibility on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Unit Owner bears to the aggregate common interest of all of the Unit Owners, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owned by an Owner shall be shared proportionately by the other Owners. Pursuant thereto every member of the Management Committee shall be indemnified by the Owners, as stated above, against all reasonable costs, expenses, and liabilities (including legal fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a member of the Management Committee whether or not he continues to be a member of the Management Committee at the time of incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct, or gross negligence or malfeasance toward the Owners in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Management Committee. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

21. EXCULPATION. No member of the Management Committee shall be liable for the acts or defaults of any other member, or for any loss sustained by the Owners as a result thereof, unless the same has resulted from his own willful misconduct or negligence.

22. NOTICE OF MORTGAGE AND/OR LIEN OR SUIT. An Owner shall give notice to the Management Committee of every lien or encumbrance upon his Unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect his title. An Owner who mortgages his Unit shall notify the Management Committee of the name and address of his Mortgagee, which information shall be maintained in a book entitled "Mortgagee of Units". The notice required by this section shall be given in writing within thirty (30) days after the Owner has knowledge thereof.

23. NOTICE TO MORTGAGEE. A holder, insurer or guarantor of a first mortgage against any Unit of the Property, upon written request to the Association which includes the name and address of the party requesting notice and the Unit number, shall be entitled to timely written notice of:

a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by the party requesting notice;

b) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage held, insured or guaranteed by the party requesting notice, where such delinquency has continued for a period of 90 days;

c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 41 hereof.

24. EXAMINATION OF BOOKS. Each Unit Owner and each Mortgagee of a Condominium Unit shall be permitted to examine the books of account of the Association and/or Management Committee at reasonable times. The Association shall make available for inspection to any Unit Owner, lender, mortgagor holder or mortgage title insurer, upon reasonable notice and at such time and date as the Association shall reasonably determine, current copies of the declaration, by-laws and any other rules governing the project, as well as the books, records and financial statements of the Association. The Association shall have the right to charge a reasonable amount for any copies made at the request of any such party.

25. TITLE. Every Unit Owner shall promptly cause to be duly Recorded in the Office of the County Clerk, Teton County, the deed, assignment, or other conveyance to him of his Unit or other evidence of his title thereto, and file such evidence with the Management Committee or Manager.

26. REGISTRATION OF MAILING ADDRESS. The Owner or several owners of an individual Unit shall have one and the same registered mailing address to be used by the Management Committee for mailing of monthly statements, notices, demands, and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation partnership, Association or other legal entity, or any combination thereof, to be used by the Management Committee. Such registered address of a Condominium Unit Owner or owners shall be furnished by such Owner to the Manager or Management Committee within fifteen days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all the owners of the Unit or by such persons as are authorized by law to represent the interest of each of the owners thereof. Notices and other communications with Owners shall be given pursuant to paragraph 15(d) hereof. The requirements of paragraphs 30 and 31 shall first be met before an Owner of a Unit shall be deemed in good standing and entitled to vote at any meeting of the Association.

27. TERMINATION OF MECHANIC'S LIEN AND INDEMNIFICATION. No labor performed or materials furnished and incorporated in such Unit with the consent or at the request of the Unit Owner, his agent, his contractor, or subcontractor, shall be the basis for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the General Common Elements.

28. MECHANIC'S LIEN. Every Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanics' liens and all costs and expenses, including attorney's fees, due to such liens filed against other Condominium Units and the General and Limited Common Elements for labor, materials, services, or other products incorporated in the Owner's Unit. In the event such a lien is filed or suit for foreclosure of mechanic's lien is commenced, then within ten days thereafter such Owner shall be required to deposit with the Management Committee or the Manager cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year; together with an additional sum equal to ten percent (10%) of the amount of such claim, but not less than One Hundred Fifty Dollars (\$150), which latter sum may be used by the Management Committee or the Manager for any costs or expenses, including attorney's fees, incurred for legal advice and counsel. Except as otherwise herein provided, such sum or securities shall be held by the Management Committee or the Manager for any pending final adjudication or settlement of claim or litigation. Disbursement of such funds or proceeds shall be made by the Management Committee or the Manager to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, incurred by the Management Committee or the Manager shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Management Committee or the Manager to make such payment, and the amount thereof shall be a debt of the Owner and a lien against his Condominium Unit which may be foreclosed as is provided in this Declaration. All advancements, payments, costs, and expenses, including attorney's fees, incurred by the Management Committee, Manager, or any of the other Owners, due to any such lien, shall be forthwith reimbursed by such Owner, and the Owner shall be liable to the Management Committee, Manager, or such other Owners paying such sums for the payment of interest at the rate of four percent (4%) above the prevailing prime rate per annum on all such sums paid or incurred by the Management Committee, Manager, or such other Owners.

29. RESERVATION FOR ACCESS: MAINTENANCE, REPAIR AND EMERGENCIES. The Association shall have the irrevocable right, to be exercised by the Management Committee or the Manager, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the General or Limited Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General or Limited Common Elements or to another Unit. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the General or Limited Common Elements or as a result of emergency repairs within another Unit, at the instance of the Management Committee or the Manager, shall be a common expense of all of the Owners; provided, however, that if such damage is the result of the misuse or negligence of a Unit Owner or such Owner's invitees, guests or representatives, then such Unit Owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. All maintenance, repairs, and replacements as to the General Common Elements, whether located inside or outside of Units (unless necessitated by the negligence or misuse of a Unit Owner, or such Owner's invitees, guests, or representatives, in which case such expense shall be charged to such Unit Owner), shall be the common expense of all of the Owners.

30. OWNER'S MAINTENANCE RESPONSIBILITY. For purpose of maintenance repair, alteration, and remodeling, an Owner shall be deemed to own the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings, and floors within the Unit, including Unit doors and windows. The Owner shall not be deemed to own lines, pipes, wires, conduits, or systems (which for brevity are herein and hereafter referred to as utilities) running through his Unit which serve one or more other Units except as a tenant in common with the Owners. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Management Committee. An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures thereof. All fixtures and equipment installed within the Unit

commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. An Owner shall also keep any balcony area or other Limited or General Common Elements appurtenant to his Unit in a clean and sanitary condition. All other maintenance or repairs to any Limited Common Elements, except as caused or permitted by the Owner's negligence, misuse, or neglect thereof, or that of an Owner's invitees, guests, or representatives, shall be a common expense of all of the Owners.

31. COMPLIANCE WITH PROVISIONS OF DECLARATION. Each Owner shall comply strictly with the provisions of this Declaration and the decisions and resolutions of the Management Committee adopted pursuant thereto as the same may be lawfully amended from time to time. The failure of an Owner or any tenants or guests of an Owner to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Management Committee or the Manager in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

32. GENERAL RESTRICTIONS.

(a) Without the prior written consent of the Management Committee, nothing shall be done, kept or permitted to exist in any Unit, residence building, or in the General Common Elements, which will result in an increase in the rate of insurance therein. No Owner shall permit anything to be done or kept in his Condominium which will result in the cancellation of insurance covering the project or any part thereof, or which would be in violation of any law. No Owner shall permit or suffer waste to exist in any Condominium.

(b) No noxious or other offensive activity shall be carried on, in or upon any part of the project, nor shall anything be done therein or thereon which may be or may become an annoyance or nuisance to the neighborhood. No dogs or livestock of any kind shall be permitted to be kept or maintained in any Unit or on the Limited or Common Elements appurtenant to such Unit or on the General Common Elements. Domestic pets (other than dogs) which are kept and maintained indoors, such as cats, birds or goldfish, shall be permitted in any Unit subject to the rules and regulations therefor adopted by the Management Committee. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor on those portions of the Limited or General Common Elements so designated by the Management Committee.

(c) No Owner shall place or store anything within the General Common Elements without the prior written consent of the Management Committee. There shall be no obstruction of the General Common Elements. No external clothes lines will be permitted. No storage of any kind is permitted in the General Common Elements or the Limited Common Elements. No antennas or other similar items located on the exterior of any Unit or in the Limited Common Elements or in the General Common Elements shall be permitted without the prior written consent of the Management Committee. DBS or equivalent satellite dishes shall be permitted in locations approved by the Management Committee. Refuse, garbage and trash shall be kept at all times only in the covered containers provided for such use in the General Common Elements.

(d) The Owner of a Unit shall be responsible to pay for all damages to landscaping or other common property in any General or Limited Common Elements caused by the Owner or the children or guests of such Owner.

(e) Each Owner shall insure that all guests of such Owner comply with the terms and provisions hereof.

(f) No Owner shall construct, place or maintain fencing around any Limited or General Common Elements.

(g) No sign or advertising device shall be displayed on or from any Unit, or the Common Area, without the prior written consent of the Management Committee.

33. REVOCATION OR AMENDMENT TO DECLARATION. This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded first mortgage or first deed of trust covering or affecting any or all of the Condominium Units unanimously consent and agree to such revocation by instrument duly recorded. Except as otherwise expressly provided in this Declaration, this Declaration shall not be amended unless the Owners representing a majority of the votes represented on Exhibit B and all of the holders of any recorded first mortgages or first deeds of trust covering or affecting any or all Condominium Units consent and agree to such amendment by instrument duly recorded.

34. ADDITIONS, ALTERATIONS, AND IMPROVEMENTS OF GENERAL AND LIMITED COMMON ELEMENTS. There shall be no additions, alterations, or improvements of or to the General and Limited Common Elements by the Management Committee or the Manager requiring an expenditure in excess of Five Hundred Dollars (\$500.00) per Unit in any one calendar year without prior approval of a majority of the Association, and such expenditures shall be a common expense. Such limitation shall not be applicable to the repair or maintenance, of any of the General or Limited Common Elements or common personal property (as defined in paragraph 47 hereof).

35. INSURANCE. The Management Committee, or Manager, shall obtain and maintain at all times insurance of the type and kind stated in paragraph 19(d), and including, at the discretion of the Management Committee, risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other Condominium projects similar in use, issued by responsible insurance companies authorized to do business in Wyoming. The fire and extended coverage insurance, including vandalism and malicious mischief, to be maintained as to the Units shall also cover all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors, and ceilings, doors, windows and other elements or materials comprising a part of the Units. The insurance shall be carried in blanket policy form naming the Management Committee the insured, as attorney-in-fact for all of the Unit Owners, at their common expense, which policy or policies shall contain a standard, noncontributory mortgage clause in favor of each first Mortgagee, and a non-cancellation clause (whether or not requested by the Owners of Units) providing that such policy or policies may not be canceled except upon thirty (30) days' prior written notice thereof to the Management Committee, each first Mortgagee, and every other person in interest who shall have requested such notice of the insurer. The Management Committee, or the Manager, shall also obtain and maintain public liability insurance insuring each member of the Management Committee, the Manager, if any, the Association, and the Owners against any liability to the Owners or any other person incident to the ownership of or use of the project or any part thereof. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000) for any one person injured, Five Hundred Thousand Dollars (\$500,000) for each occurrence, and Three Hundred Thousand Dollars (\$300,000) for property damage for each occurrence. All such insurance shall be reviewed at least annually by the Management Committee.

Each Owner may obtain additional insurance at his own expense for his own benefit provided that the liability of the carriers issuing insurance for the Condominium project or for the protection of the Management Committee and Manger, shall not be affected or diminished by reason of any such insurance carried by any Unit Owner. Insurance coverage on the furnishing and other items of personal property belonging to an Owner and personal casualty and public liability insurance coverage shall be the responsibility of each Owner thereof.

Each Owner, upon becoming an Owner, shall be deemed to have constituted and appointed, and does hereby so constitute and appoint the Management Committee as his true and lawful attorney-in-fact to act in all matters concerning the purchase and maintenance of all types of property and liability insurance pertaining to the Condominium project. Each Owner does further hereby agree, without limitation on the

generality of the foregoing, and each Mortgagee, upon becoming a Mortgagee or holder (as trustee or as beneficiary) of a deed of trust of a Condominium Unit does hereby agree, that the Management Committee, as attorney-in-fact, shall have full power and authority, in addition to the powers above given, to purchase and maintain such insurance, and remit premiums therefor, to collect proceeds and to use the same, and distribute the same to the Management Committee, Owners and mortgagees, as their interests may appear, all pursuant to and subject to applicable statutes and the provisions of this Declaration, and to execute all documents and do all things on behalf of each Owner and the Management Committee as shall be necessary or convenient to the accomplishment of the foregoing.

Anything herein to the contrary notwithstanding, the Management Committee agrees that it shall make no claim against any Owner, and each Owner agrees that he shall make no claim against the Management Committee, or any member thereof, the Manager or any other Owner or Owners, for any loss or damage to any of the General Common Elements or the Owner's personal property or to the Owner's Condominium Unit, even if caused by the act or neglect of the Management Committee, the Manager or such other Owner or Owners, due to a peril insured against by the insurance obtained and maintained by the Management Committee or Manager, or by such Owner, pursuant to this paragraph 41, to the extent of any recovery collectible under all such insurance policies, and all such claims, to the extent of such recovery, are hereby waived and released; provided, however, that this waiver shall not apply to damage due to vandalism or malicious mischief and shall apply only during such time as the applicable policy or policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policy or policies or prejudice the right of the insured to recover thereunder, and each Owner, and the Management Committee, agrees that their respective insurance policies shall contain such a clause or endorsement.

36. ASSESSMENTS AND EXPENSES. Every Owner of any Unit shall be obligated to contribute toward the expense of administration of the Condominium project in proportion to the platted square footage of each Unit and the total platted square footage of all Units. The assessment or expense period shall be from January 1, to and including December 31 of each year. The Limited Common Elements shall be maintained as General Common Elements, and Owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof, except such repair or maintenance as may have been caused or permitted by the Owner's negligence, misuse, or neglect thereof. The annual assessment for the estimated Common Expenses shall be due in monthly installments in advance on the first day of each month, shall bear such interest at the rate of four percent (4%) above the prevailing prime rate per annum from due date until paid, and with such interest shall be a lien on the Unit, assessed prior in right to all other charges whatsoever except assessments, liens, and charges in favor of the State of Wyoming for taxes past due and unpaid on such Unit and amounts and liabilities secured by mortgage instruments duly recorded. In the event any Owner is delinquent in the payment of any monthly assessment for a period of forty-five (45) days or longer, the Management Committee or Manager is authorized to record and foreclose a lien for such assessments as provided in this Declaration. The Management Committee or Manager shall prepare and deliver or mail to each Owner on or before December 1 of each year a statement for the estimated or actual Common Expenses for the succeeding year.

Where ownership of a Unit derives directly from Declarant, and commences after the first day of a month, the assessment for that month shall be prorated.

The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Manager, or if there is no Manager, then the Management Committee, shall from time to time determine is to be paid by all of the Condominium Unit Owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations, and improvements of and to the General Common Elements which sum may include, but shall not be limited to, expenses of management;

taxes and special assessments until separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief in the amount of the full insurable replacement cost of all of the common elements and Units all as herein required; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash and garbage collections; wages; common water and sewer charges; legal and accounting fees; management and rental fees; expenses and liabilities incurred by the Manager or Management Committee on behalf of the Unit Owners under or by reasons of this Declaration; for any deficit remaining from a previous period; the creation of a reasonable contingency, reserve, working capital, and sinking funds as well as other costs and expenses relating to the General Common Elements. The omission or failure of the Management Committee to fix the assessment for any period shall not be deemed a waiver, modification, or a release of the Owners from their obligation to pay the same. The Management Committee may require each Owner to deposit and maintain with the Management Committee an amount equal to the estimated assessments for a three month period for use as working capital.

Every Owner of a Unit subject to a special assessment shall be obligated to pay a special assessment according to the requirements set forth in the special assessment. Special assessments shall bear interest at the same rate as annual assessments, shall be liens upon the Units to which such special assessments apply and may be foreclosed or collected as provided herein for annual assessments for common expenses.

37. OWNERS' PERSONAL OBLIGATION FOR PAYMENT OF ASSESSMENTS. The amount of the Common Expenses and/or special assessments assessed against each Condominium Unit shall be the personal and individual debt of the Owner(s) thereof. No Owner may exempt himself from liability for his contribution towards the Common Expenses and/or special assessments by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. Both the Management Committee and the Manager shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than forty-five (45) days from the due date for payment thereof. In the event of default in the payment of the assessments, the Unit Owner shall be obligated to pay interest at the rate of four percent (4%) above the prevailing prime rate per annum on the amount of the assessment from the due date thereof, together with all expenses incurred, including attorney's fees, together with such late charges as are provided in this Declaration. Suit to recover a money judgment for unpaid Common Expenses and/or special assessments shall be maintainable without foreclosing or waiving the lien securing the same.

38. FORECLOSURE OF LIEN. In the event that a lien is created on a Unit pursuant to the provisions of this Declaration for unpaid Common Expenses and/or unpaid special assessments, the Management Committee or the Manager shall prepare a written notice indicating the amount of such unpaid indebtedness, the name of the Unit Owner, and a description of the Unit. Such notice shall be signed by a member of the Management Committee or by the Manager, and shall be recorded in the Office of the County Clerk of Teton County, Wyoming. Such lien shall attach from the due date of the assessment. In any suit to foreclose the lien against any Owner of a Unit, the Management Committee may represent itself in like manner as any Mortgagee of real property. The Management Committee, acting on behalf of the Owners, shall have the power to bid and acquire such Unit at a foreclosure sale, and to lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the same. The delinquent Owner shall be required to pay the costs and expenses, including attorney's fees, for the filing of any lien, and any foreclosure proceedings related thereto, as well as to pay a reasonable rent for the subject Unit until sale or foreclosure. Suit to recover a money judgment for unpaid Common Expenses and/or unpaid special assessments shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses and/or unpaid special assessments payable with respect to such Unit, and

upon such payment such encumbrancer shall have a lien. Any lien of the Association which becomes payable after the date of recordation of a first mortgage against a Unit shall be subordinate to such first mortgage. A sale or transfer of such Unit pursuant to the foreclosure of such first mortgage shall extinguish a subordinate lien for Common Expenses and/or unpaid special assessments which became payable prior to such sale or transfer. The holder of any mortgage or first deed of trust which is prior to any assessment lien, upon becoming an Owner of a Unit, pursuant to foreclosure, conveyance in lieu of foreclosure, or otherwise, shall be subject to all assessments, and the lien thereof, made after such holder becomes such Owner of a Unit.

39. LIABILITY FOR COMMON EXPENSE UPON TRANSFER OF CONDOMINIUM UNIT. Upon payment to the Manager, or if there is no Manager, then to the Management Committee, of a reasonable fee not to exceed Twenty-five Dollars (\$25), and upon the written request of any Owner, Mortgagee, or prospective Mortgagee of a Condominium Unit, the Manager, or the Management Committee, shall issue a written statement setting forth the amount of the unpaid Common Expenses and/or unpaid special assessments, if any, with respect to the subject Unit, the amount of the current assessment and the date or dates that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Owners and Management Committee in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within twenty (20) days, all unpaid Common Expenses and/or unpaid special assessments which become due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement. The grantee of a Condominium Unit shall not be liable for unpaid assessments up to the time of the grant or conveyance. Upon payment of a reasonable fee not to exceed Twenty-five Dollars (\$25), as is provided herein above, and upon written request, any prospective grantee shall be entitled to a statement from the Manager or the Management Committee, setting forth the same information as the statement above described, which statement shall be conclusive upon the Owners and Management Committee as to all persons who rely thereon in good faith. Unless such request for such a statement shall be complied with within twenty (20) days after such request, then such requesting grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Unit accruing prior to the end of said twenty (20) day period. The provisions set forth in this paragraph shall not apply to the initial sales and conveyance of the Condominium Units made by Declarant, and such sales shall be free from all Common Expenses and/or special assessments (unless otherwise specified in any sale agreement entered into by Declarant) to the date of conveyance made or to a date as agreed upon by Declarant and Declarant's grantee.

40. MORTGAGING A CONDOMINIUM UNIT - PRIORITY. An Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage, or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The Owner of a Condominium Unit may create junior mortgages, liens, or encumbrances on the following conditions: (1) that any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for Common Expenses, and other obligations created by this Declaration; (2) that the Mortgagee under any junior mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title, and interest in and to the proceeds under all insurance policies upon the Unit and Condominium project. Such release shall be furnished forthwith by a junior Mortgagee upon written request of one or more of the members of the Management Committee, and if such request is not granted, such release may be executed by the Management Committee as attorney-in-fact for such junior Mortgagee.

41. MANAGEMENT COMMITTEE AS ATTORNEY-IN-FACT; DESTRUCTION, REPAIR AND RECONSTRUCTION. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction, for repair, reconstruction, or obsolescence. Title to any

Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Management Committee their true and lawful attorney in their name, place, and stead for the purpose of dealing with the property upon its destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Management Committee shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or any other instrument with respect to the interest of a Condominium Unit Owner which is necessary and appropriate to exercise the powers herein granted. The proceeds of any insurance collected shall be available to the Management Committee for the purpose of repair, restoration, reconstructions, or replacements unless the Owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct improvements, shall be applied by the Management Committee, as attorney-in-fact, to such reconstruction, and improvements shall be promptly repaired and reconstructed. The Management Committee shall have full authority, right, and power, as attorney-in-fact, to cause the repair and restoration of the improvements.

(b) If the insurance proceeds are insufficient to repair and reconstruct improvements, and if such damage is to one-third or fewer Condominium Units, such damage or destruction shall be promptly repaired and reconstructed by the Management Committee, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made in the manner hereinafter set out. If any mortgage or trust deed holder of any damaged Unit requires and receives payment of any part of the insurance proceeds, the Owner of that Unit shall pay to the Management Committee the amount so received by such Mortgagee or trust deed holder for use by the Management Committee, with the balance of the insurance proceeds, in repairing and reconstructing pursuant hereto. The insurance proceeds, together with payments made by Unit Owners shall be held in a building account for use in repairs and reconstruction pursuant hereto. Any deficiency in the building account shall be assessed against the Unit Owners as a common expense. Such assessment shall be payable within ninety (90) days after written notice thereof to the Owners assessed. The Management Committee shall have full authority, right, and power, as attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds and Unit Owner payments for such purpose, notwithstanding the failure of an Owner to pay an assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in this Declaration. In addition thereto, the Management Committee, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Management Committee shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Management Committee, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent Owner shall be required to pay to the Management Committee the costs and expenses for filing the notices, interest at the rate of four percent (4%) over the prevailing prime rate per annum on the amount of the assessment from and after said ninety (90) day period, and all reasonable attorney's fees incurred in selling the Condominium Unit and collecting said assessment. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Management Committee, as attorney-in-fact, in the following order:

- (1) For payment of taxes and special assessment liens in favor of any assessing entity, and the customary expense of sale;
- (2) For payment of the balance of the lien of any first mortgage or trust deed, with interest and any prepayment penalty;

- (3) For payment of unpaid Common Expenses, the assessment, with interest, made for repair and reconstruction of the Condominium project, and all costs, expenses, and fees incurred by the Management Committee in selling such Condominium Unit and collecting the assessment, not paid pursuant to (1) above;
- (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

(c) If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and if such damage is to more than one-third of the Condominium Units, and if the Owners representing fifty-one percent (51%), or more, of the then total voting rights of the Association do not voluntarily, within 100 days after such damage, make provisions for reconstruction, which plan must have the unanimous approval or consent of every holder of a first mortgage then of Record, the Management Committee shall forthwith Record a notice setting forth such fact or facts, and upon the recording of such notice, the entire Condominium project shall be sold by the Management Committee pursuant to the provisions of this paragraph, as attorney-in-fact for all the Owners, free and clear of the provisions contained in this Declaration and the Plat. The insurance settlement proceeds shall be collected by the Management Committee, and such proceeds shall be divided by the Management Committee according to each Owner's percentage interest in the total value of the project, and such divided proceeds shall be paid into separate accounts, each account representing one of the Condominium Units. For the purposes of this paragraph "percentage interest in the total value of the project" shall be defined as the percentage of the private area of an individual's ownership to the total private area of the project as shown in the Plat. Each such account shall be in the name of the Management Committee, and shall be further identified by the Condominium Unit designation and the name of the Owner. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Management Committee, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.

If the Owners representing fifty-one percent (51%), or more, of the then total voting rights of the Association adopt a plan for reconstruction, which plan has the unanimous approval of all holders of first mortgages then of Record, then all of the Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan, shall be a lien, and may be enforced to the extent and in the manner set out in subparagraph (b) of this paragraph and shall be due and payable as provided by the terms of such plan, but not sooner than ninety (90) days after written notice thereof. The Management Committee shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds and any Unit Owner's payments for such purpose notwithstanding the failure of an Owner of pay an assessment.

(d) The Owners representing fifty-one percent (51%), or more, of the then total voting rights of the Association may agree that the buildings should be razed and new ones built, and adopt a plan for the renewal and reconstruction, which plan shall require the unanimous approval of all holders of first mortgages of Record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however that an Owner not a party to such plan for renewal or reconstruction may give written notice to the Management Committee within thirty (30) days after the date of adoption of such plan that such Unit shall be purchased by the Management Committee for the fair market value thereof. The Management Committee shall then have sixty (60) days thereafter within which to cancel such plan. If such plan is not canceled, the Condominium Unit of the requesting Owner shall be purchased according to the following procedures. If such Owner and the Management Committee can agree on the fair market value thereof,

then such sale shall be consummated within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other or the sixtieth day after notice demanding purchase is given to the Management Committee, whichever date is earlier, shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an appraiser. If either party fails to make such a nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two appraisers, and from the names of the four appraisers so nominated one shall be drawn by lot by any judge of any court of Record in Wyoming, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Management Committee and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Management Committee, as attorney-in-fact shall pay the purchase price therefore in cash and shall disburse such purchase price for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph, except as modified herein. At the time of payment to such Owner, such Owner shall deliver to the Management Committee, or its nominee, a good and sufficient warranty deed to the Condominium Unit, fully executed and in recordable form, free and clear of all liens, charges and encumbrances.

(e) The Owners representing fifty-one percent (51%), or more, of the then total voting rights of the Association may agree that the Condominium Units are obsolete and that the Condominium project should be sold. Such plan must have the unanimous approval of all holders of first mortgages then of Record. In such instance, the Management Committee shall forthwith Record a notice setting forth such fact or facts, and upon the recording of such notice, the entire Condominium project shall be sold by the Management Committee, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration and the Plat. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the total value of the building, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Management Committee, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Management Committee, as attorney-in-fact, shall use and disburse the total amount of each of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph (b)(1) through (5) of this paragraph.

42. PERSONAL PROPERTY FOR COMMON USE. The Management Committee, as attorney-in-fact for the Association, may acquire and hold for the use and benefit of all of the Condominium Unit Owners, real, tangible, and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the Condominium Unit Owners as members of the Association, and such interest therein shall not be transferable except with a conveyance of a Condominium Unit. A conveyance of a Condominium Unit shall transfer to the grantee ownership of the grantor's beneficial interest in such property without any reference thereto in the deed. Each Owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Condominium Unit through foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Condominium Unit.

43. **PERIOD OF CONDOMINIUM OWNERSHIP.** The separate Condominium estates created by this Declaration and the Plat shall continue until this Declaration is revoked or terminated in the manner as is provided for in this Declaration.

44. **COVENANTS TO RUN WITH LAND - PURCHASER'S CONTRACT.** Each of the covenants of this Declaration shall run with the real property which is the subject of this Declaration, and each and every Condominium and every interest therein or pertaining thereto, and shall bind Declarant, its successors, grantees and assigns, and all parties claiming by, through, or under Declarant. Each purchaser of any Condominium shall, by acceptance of the deed or other conveyance of any such Condominium, be conclusively deemed to have consented to and agreed to each and all of said covenants for himself and his heirs, executors, administrators, successors and assigns, and does, by said acceptance, covenant for himself and his heirs, executors, administrators, successors, and assigns, to observe, perform and be bound by each and all of said covenants.

45. **GENERAL.**

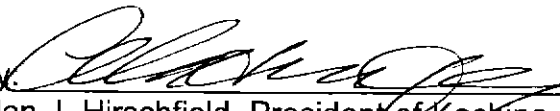
(a) If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidation shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

(b) The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Wyoming and to all other provisions of law.

IN WITNESS WHEREOF, Declarant has duly made and executed this Declaration the day and year first above written.

DECLARANT:

Crystal Springs Properties LLC, a Wyoming limited liability company,

By 
Alan J. Hirschfield, President of Kachina Investments, Inc., a Wyoming corporation, the Manager of Crystal Springs Properties, LLC, a Wyoming limited liability company

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Alan J. Hirschfield, President of Kachina Investments, Inc., a Wyoming corporation, which is the Manager of Crystal Springs Properties, LLC, a Wyoming limited liability company on this 20th day of January, 2003.




Notary Public

My Commission expires:
10/5/2006

Exhibit "A"

Legal Description
for
Crystal Springs Condominiums

Lot 203 Jackson Hole Ski Corporation Addition Seventeenth Filing, Plat No. 968 on Record in the Office of the Clerk of Teton County, Wyoming, located within the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, T42N, R117W, 6th P.M., Teton County, Wyoming.

Exhibit "B"

Percentage of Undivided Interest in the Common Area and Appurtenant Voting Calculations

Main Level:

<u>Unit Number</u>	<u>Floor Area (sq. ft)</u>	<u>Undivided interest in the Common Area and Appurtenant Votes</u>
110	8,930	21.76%
111	1,001	2.44%

Second Level:

<u>Unit Number</u>	<u>Floor Area (sq. ft)</u>	
201	1,494	3.64%
202	1,711	4.17%
203	1,148	2.80%
204	1,616	3.94%
205	2,001	4.88%
206	1,965	4.79%

Third Level:

<u>Unit Number</u>	<u>Floor Area (sq. ft)</u>	
301	1,494	3.64%
302	1,713	4.17%
303	1,148	2.80%
304	1,616	3.93%
305	2,004	4.88%
306	1,967	4.79%

Fourth Level:

<u>Unit Number</u>	<u>Floor Area (sq. ft) – including lofts</u>	
401	1,681	4.10%
402	1,894	4.62%
403	1,360	3.31%
404	1,894	4.62%
405	2,218	5.40%
406	2,185	5.32%

Total: 41,040 sq. ft.

Total: 100%

Note: Floor Areas calculated from Condominium Plat plan sheets 3 through 8. Structural components and Limited Common elements lying within Units were not included in square footages listed and, as such, will result in a reduction of square footage from the architect's plans.

[Handwritten signature]